

## **BUSINESS AND MANAGEMENT CONSULTING SERVICES MSA USER GUIDE**

### **I. INTRODUCTION AND GENERAL INFORMATION**

The **Business and Management Consulting Services Master Services Agreement (MSA)** provides state agencies, cities, counties, special districts, educational and other public entities with professional consultant services. The contractors can help you achieve your business and management goals and objectives. Please note: all information regarding local agencies usage of this MSA can be found at the end of this section.

The MSA offers choices of eighty-three (83) consulting firms in fourteen (14) different categories and/or subcategories. Contractors have been selected through a competitive selection process that was based on 60% consulting experience and 40% cost.

This MSA expedites the process you use to obtain contractors for business and management consulting services. You develop a statement of work for your project; send the statement of work to contractors within the selected category; evaluate the contractors' response to the statement of work; and choose the contractor best suited to your requirements and style. You manage the project, approve the deliverables and pay the contractor. If you need assistance in development of your "Request for Offer", (refer to DGS/PD website for sample) you can contact your DGS/Office of Legal Services assigned attorney or the DGS/PD Contract Administrator.

While the State of California makes this MSA available to local government agencies, each local agency should make its own determination of whether using these competitively bid contracts is consistent with its procurement policies and regulations.

#### **A. DGS, PROCUREMENT DIVISION CONTACT**

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#### **B. SERVICE CATEGORIES**

Business and Management Consulting Services categories and / or subcategories offered in this MSA include:

1. Organization Development
2. Strategic Planning
3. Program Development, Performance Measurements and Evaluation
4. Fiscal Services
  - a. Department/Program Auditing
  - b. Financial Analysis

5. Benefit Consulting Services
  - a. Benefit Trend Analysis
  - b. Benefit Program Audits, Actuarial Valuations and Tax Consulting
  - c. Benefit Program Analysis and Development
  - d. Workgroup Facilitation
  - e. Disability Management Program Development
6. Investment Consulting Services
7. Marketing Services
  - a. Market and Public Relations Plan(s) Analysis and Development
  - b. Marketing and / or Research Surveys
  - c. Multi-Media Production Services

See **Section III, SERVICE CATEGORIES** for a general definition of the services and or / subcategories and personnel classifications.

Users **may not** use this Master Agreement for **Information Technology Projects such as Information Technology Consulting Services, Design and Development of EDP Systems or Software Design.**

Users **may** use the **Department of Finance (DOF), Office of State Audits and Evaluations (OSAE)** as a contractor for **Category 4a and 4b.** **OSAE currently provides these types of services for state agencies through use of an interagency agreement.**

#### **C. MSA ORDER LIMITS**

During the MSA contract term, state agencies' orders are limited to a cap of \$250,000 per contract order. All orders are subject to review and approval by DGS, Office of Legal Services under the regular service contract rules. Contract approval is as follows:

|                      |   |   |
|----------------------|---|---|
| < \$35,000 per order | = | no OLS approval required                                  |
| >\$35,001 per order  | = | OLS approval required unless agency as special delegation |

#### **D. PRICING**

Ordering agencies pay the hourly rate specified in each of the contractor's contract for this MSA. Rates may not exceed the contract rate. However, the contractors agree that their hourly rates can be reduced on an individual project basis. The contract rates listed in **Section IV, CONTRACTORS HOURLY RATE SCHEDULES** are effective until October 31, 2001. Once the ordering agency issues a MSA order, the hourly rates become fixed for the term of the MSA order. Increases to hourly rates as described below will not effect MSA orders issued prior to the date of the increase.

Sixty (60) days prior to each contract anniversary date of the Business and Management Consulting MSA, the contractor may request, in writing to Department of General Services (DGS), an hourly rate increase for each of the personnel classifications. The annual hourly rate increase will be subject to a maximum increase to the **lessor of five (5%) percent or the average increase in the National consumer Price Index for All Urban consumers (CPI-U)**

**for the previous twelve (12) months**, as published by the U.S. Department of Labor, Bureau of Labor Statistics, Washington, DC. DGS will make the rate changes by contract amendment and issue a supplement to this User Guide specifying such approved rate increase.

#### **E. PAYMENT**

State agencies must comply with Government Code § 927 and pay undisputed invoices with the required 45 days. State agencies also may make progress payments to contractors for work performed for contracts greater than three months in duration. If progress payments are included in the contract, the ordering agency shall retain **ten percent (10%) of fees** billed pending completion of the entire project (PCC 10379). Local agencies may make payments according to their statutory requirements.

#### **F. DEPARTMENT OF GENERAL SERVICES ADMINISTRATIVE FEE**

DGS charges the users of this MSA an administrative fee. The DGS administrative fee is a specified percentage of contracted services. DGS annually sets the percentage for such administrative fee. Agencies using this MSA should check the DGS website for current rates. The DGS administrative fee is not included in the contractors' hourly rates for this MSA.

The DGS administrative fee is currently set at **1.21 %** of the contracted amount. DGS will bill the user agencies directly for the administrative fee.

#### **G. PROJECT RELATED EXPENSES**

1. Contractor personnel must be available to interview and work statewide. There is no increase in hourly rates for different locations. Project costs related to items such as travel, per diem and travel time to the designated base of operation for the project are costs of the contractor. The ordering agency shall not pay for such costs as a separate item. The ordering agency will also determine the base of operation for each project.
2. The only travel expense exception will be when the contractor is required to travel to multiple sites that are not located in the same city or general vicinity as part of the project and this requirement is specified in the project's scope of work. All travel expenses must be preauthorized by the ordering agency and is reimbursed at the then-current Dept. of Personnel Administration state rates. Local agencies will pay according to their statutory requirements. The travel expense exception does not pertain to on-site interviews.
3. Contractors may invoice the ordering agencies for training materials such as manuals, video, etc., as a separate line item from the consulting hours if such expenses are included in the agency's project Statement of Work.
4. With marketing projects, expenses such as printing of brochures, media buys, video reproduction, etc. are listed on the project's budget and invoices as a separate line item from consulting hours, if such expenses are included in the project's statement of work.

## **H. PROFESSIONAL ERRORS AND OMISSIONS INSURANCE**

Some orders issued under this MSA may require the contractor to provide proof of Professional Errors and Omissions Insurance covering any damages caused by an error, omission or any negligent acts. The ordering agency shall determine the minimum limits of the Professional Errors and Omissions Insurance to be provided at no cost to the agency.

## **I. PERSONNEL WORKING ON PROJECTS**

Contractors must include the names, classifications and resumes of personnel including subcontractors who will be used as principal, senior level, journey level and administrative staff during the project work period. **If a contractor's proposal includes subcontractors, the hourly rates and classification equivalent must be listed for subcontractors can not be higher than the prime contractor's published MSA rates.**

## **J. TERM OF MSA**

The term of this MSA is October 15, 2000 through October 31, 2003, with two (2) optional one-year renewals. All orders issued under this MSA must be completed within twelve (12) months following the expiration of the contract. The optional renewals of the MSA must be executed and approved by DGS/Procurement Division via a contract amendment and supplement to this User Guide.

## **K. DISABLED VETERAN BUSINESS ENTERPRISE**

The Disabled Veteran Business Enterprise (DVBE) participation goals were not included as a bid requirement for this MSA. For each individual project as the agency business needs are being developed, ordering state agencies should decide whether to require the MSA contractors to meet DVBE participation goals or to not include such a requirement in the contract for the individual project.

**L. TARGET AREA CONTRACT PREFERENCE ACT (TACPA), LOCAL AGENCY MILITARY BASE RECOVERY AREA (LAMBRA) AND ENTERPRISE ZONE ACT (EZA)**

If more than 10% of a project is to be performed at a **site designated by the ordering state agency**, the TACPA, LAMBRA and EZA preferences do not apply to the project and the documentation is not attached to the statement of work. Any questions regarding these preferences should be referred to the Dispute Resolution Unit of DGS, Procurement Division, at (916) 322-3852.

These preferences do not apply to MSA orders issued by local agencies.

**M. SMALL BUSINESS PREFERENCE**

Forty (40) of the eighty-three (83) firms on this MSA are Certified Small Businesses and are designated in the contract information listed in **Section V, CONTRACTOR CONTACTS**. Ordering state agencies must apply the small business preference when evaluating contractor responses. The ordering state agencies will be responsible for tracking dollars spent through the use of Certified Small Businesses during the term of this MSA.

**N. AGENCY REPORTING REQUIREMENTS**

1. Upon completion of the contracted project, the ordering agency must complete the **MSA Contract Performance Report (see Section VI, FORMS, page 3)** and send the completed form to the MSA Contact for DGS/PD. State agencies may also use the Contract/Contractor Evaluation Form (STD.4).
2. If the contractor's performance is unsatisfactory, state agencies must send a copy of the completed STD.4 to the DGS, Office of Legal Services within five (5) days after the completion of the evaluation. The contractor must be notified and sent a copy of the unsatisfactory evaluation within fifteen days after its completion, per the State Contracting Manual, DGS/Office of Legal Services.
3. Effective January 1, 2001, ordering agencies must report specific information on independent sole proprietor contractors to the Employment Development Department (EDD) as required by Senate Bill 542. The information must be reported within 20 days of entering into a contract for \$600.00 or more, or if there is no contract, within 20 days of when the payments total \$600.00 or more in any calendar year, whichever occurs sooner.

NOTE: For assistance in reporting to EDD, please call 916/657-0529, the EDD Tax Branch, Accounts Services Group.

## **O. LOCAL AGENCY REQUIREMENTS**

1. Local agencies are not bound by the MSA order limit.
2. DGS charges the users of this MSA an administrative fee. The DGS administrative fee is a specified percentage of contracted services. DGS annually sets the percentage for such administrative fee. Agencies using this MSA should check the DGS website for current rates. The DGS administrative fee is not included in the contractors' hourly rates for this MSA. Local agencies must agree to the State's administrative fee.
3. The DVBE participation goals do not apply to MSA orders issued by local agencies.

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